COMMITTEE REPORT NO. 4 – 1 4 (4) TABLED ON JUN 1 2 2001

Northwest Territories Legislative Assembly

Standing Committee on Accountability and Oversight

Response to the Report – Human Resources Management Study

Chair: Mr. Charles Dent, MLA

MEMBERS OF THE STANDING COMMITTEE ON ACCOUNTABILITY AND OVERSIGHT

Charles Dent
MLA Frame Lake
Chair

Floyd Roland
MLA Inuvik Boot Lake
Deputy Chair

Brendan Bell
MLA Yellowknife South

Bill Braden
MLA Great Slave

Paul Delorey
MLA Hay River North

David Krutko
MLA Mackenzie Delta

Leon Lafferty
MLA North Slave

Sandy Lee
MLA Range Lake

Michael McLeod
MLA Deh Cho

J. Michael Miltenberger
MLA Thebacha

Steven Nitah
MLA Tu Nedhe

STAFF MEMBERS

Doug Schauerte
Committee Clerk

Laurell Graf
Committee Researcher

Doug Pon
Committee Researcher

Jacqueline McLean
Committee Coordinator

Northwest Territories Legislative Assembly
Standing Committee on Accountability and Oversight

105-00496/

JUN 1 2 2001

THE HONOURABLE ANTHONY (TONY) WHITFORD, MLA
SPEAKER OF THE LEGISLATIVE ASSEMBLY

Mr. Speaker:

Your Standing Committee on Accountability and Oversight has the honor of presenting its Report on our Review of the Report – *Human Resources Management Study*, and commends it to the House.

Sincerely,

Charles Dent, MLA
Chair

P.O. Box 1320
Yellowknife
Northwest Territories
X1A 2L9
T: (867) 669-2299
F: (867) 873-0432
www.assembly.gov.nt.ca

Introduction:

On June 22, 2000, the Legislative Assembly adopted Motion 5-14(3) *Establishment of a Public Service Commission* (Appendix A). As a result of this motion, in the fall of 2000 the Government of the Northwest Territories contracted the firm of Grant Thornton LLP to:

- carry out a comprehensive study on the state of human resource management across the Government of the Northwest Territories, and;
- recommend options for improvement including affirmative action results, and consideration of a Public Service Commission model.

Grant Thornton and Associates submitted their report to the Government in December 2000.

Committee Review of the Report:

The Honourable Stephen Kakfwi, Premier, transmitted the Draft Human Resource Management Study Report to the Standing Committee on Accountability and Oversight on January 15, 2001 for comment. The Committee met to consider the report on April 4, 2001 and again on June 11, 2001. Witnesses included The Honourable Jane Groenewegen, Deputy Premier, Mr. John Holdstock and Ms. Elaine Todres, Grant Thornton and Associates, Mr. Lew Voytilla, Secretary to Financial Management Board, Ms. Liz Snider, Secretary to Cabinet, Ms. Lynn Elkin, Senior Human Resource Advisor, Department of the Executive, Ms. Sylvia Haener, Director, Labour Relations and Compensation, Financial Management Board Secretariat, and Ms. Sheila Bassi, Executive Assistant to Mrs. Groenewegen.

The Committee understands that Cabinet has not yet formally responded to the recommendations in the Draft Human Resource Management Study and therefore this document is a general response to the Grant Thornton report only.

Recognising the importance of the work to date, and desiring to seek continued examination of options, the Committee has already provided general comments through letters to the Premier and the Chairman of the Financial Management Board. (Attached as Appendices B and C).

The Standing Committee on Accountability and Oversight looks forward to reviewing the Government's response to the recommendations in the near future.

The Committee notes that the Draft Human Resource Management Study, completed by Grant Thornton and Associates, recommends an independent appeal process, but suggests it does not need to be a Public Service Commission. They further recommend continuation of a decentralised approach to human resource functions with some increase in coordination and monitoring by central agencies:

> "In our view, the concerns expressed to us and the problems identified with the Appeals process, support the need for an independent and more visible appeals function. However, we do not advocate establishing a separate agency for all other human resource functions, since experience in the GNWT and in jurisdictions elsewhere suggests that, increasingly, these functions are more effective if managed in a decentralised environment, albeit with some central coordination and monitoring. As a result, a Public Service Commission is unnecessary primarily for the appeals function." (Thornton, 2000, p. 93)

The Thornton Report (2000) reinforces their recommendation that an independent Commission or Directorate is needed:

> "Nevertheless, given the degree to which the employment process in the GNWT is clearly important to so many Northerners, we believe there is merit in establishing an autonomous appeals function where there is a trust in the efficacy and impartiality of the function. This could be accomplished by establishing a separate Appeals Directorate or Commission with an independent head and appeals officers." (p. 94)

While Members support the recommendation that a "separate Appeals Directorate or Commission with an independent head and appeals officers" be created, we are not yet convinced that such a body should focus only on appeals. The report appears to conclude that there is no significant organisational change needed other than the establishment of an independent appeals entity. If a Public Service Commission or Appeals Directorate is established to focus only on appeals then Thornton appears to feel that a new approach to human resource management can be accomplished within existing departments. This approach will likely not address Members' concerns related to coordination of human resource management practices throughout the public service. Further, we have not been convinced that increasing the role of Financial Management Board Secretariat and the Executive will necessarily solve concerns that Members have heard from their constituents about human resource issues.

If there is to be accountability and government wide implementation of human resource management polices and programs that advance Legislative Assembly priorities, there must be an entity that acts in the public interest. Such an entity must show that this Assembly is committed to a civil service that is professional, non-partisan, and representative. The report suggests that enhancing the role of Corporate Human Resources would improve overall performance and compliance with existing policies. There is not sufficient detail provided to show how this would address the government's ability to effectively coordinate the human resource needs of the public service any better than our Government has done since Personnel was disbanded. Nor does the recommendation deal with the need for adequate reporting, monitoring and accountability by the Government of the Northwest Territories to the public.

To move the process along, the report recommends that a Task Force comprised of Deputy Ministers develop a detailed implementation program for the direction proposed by the study. Members are not supportive of such an approach until there is a mechanism to ensure ongoing involvement of the Members of the Legislative Assembly to provide a political oversight function. At the very least, detailed Terms of Reference should be developed to guide the Task Force. One possible approach might include setting up a working group of Cabinet and Regular Members to work on a draft response to the Thornton report for review by Cabinet and Standing Committee.

The Premier has proposed that a committee of Members travel to different jurisdictions this fall to examine how they handle their human resources functions. At this time, Members of the Standing Committee feel they can gain sufficient understanding of practises in other jurisdictions through briefing materials but welcome the Premier's offer to work with the Standing Committee. Since there must be some mechanism to involve political oversight of the process as it proceeds:

The Standing Committee on Accountability and Oversight recommends that a Working Group consisting of Members appointed from the Executive Council and Members appointed from the Standing Committee on Accountability and Oversight be established to set a framework and oversee the implementation of a human resources policy and program.

Given Committee support for an independent body to oversee the appeals process (whether that is through a body called a Public Service Commission or something else) and with a similar recommendation found in the Grant Thornton report, we think the Government should commit to some more detailed work examining how such a body might fit into our human resources plan. At the same time, since Members have not agreed that overseeing the appeals process should be the Commission's only role, the work should look at other areas that might fit within the role of the body.

The Standing Committee on Accountability and Oversight recommends that the Government, through an established joint working group, continue to work toward the establishment of an independent body that would be responsible for safeguarding the values of a professional civil service;

And further, that such a body or Commission would be established as an independent, arms length entity to hear appeals and to report to the Legislative Assembly annually on the Northwest Territories Public Service;

And furthermore, subject to further direction, that body or Commission would assume such other human resources roles assigned to it.

In general, Members are supportive of the reasons cited for an Employment Equity Policy. We believe that employment equity is a commitment that eliminates discrimination in employment and achieves and maintains a representative workforce. Such a commitment requires the participation of stakeholders in the development of equity policies. In addition, successful implementation requires that the Legislative Assembly recognises employment equity as a priority and is committed to an effective program. It remains unclear to Members how this priority will be reflected in the accountability framework of the Department of the Executive, and in the specific business plans of the departments. We are also concerned about the process of re-framing the Affirmative Action Policy to an Employment Equity Policy. The Committee welcomes further discussion on this aspect of the report.

In conclusion, the Committee feels that we should continue to move toward establishment of an independent Commission or body to hear appeals. This body should report to the Legislative Assembly on an annual basis. However, Members are not yet convinced that the other recommendations in the report will improve human resources management throughout the public service. We need to set up a process to further examine how to improve human resource reporting, monitoring, and accountability by the Government of the Northwest Territories to the public.

The Standing Committee on Accountability and Oversight looks forward to continued consultations with the Premier and Cabinet to ensure that these issues are addressed.

Reference List

1. Grant Thornton LLP, (2000) Draft Report on the Human Resources Management Study

APPENDICES

APPENDIX A

Northwest Territories Legislative Assembly /ᓄᓇᕗᑦ ᐊᕐᓇᖅᑐᑦ ᓯᓚᑦᑐᐃᓐᓇᑦ

Motion
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ESTABLISHMENT OF A PUBLIC SERVICE COMMISSION

WHEREAS it is incumbent upon the Government of the Northwest Territories to provide services and deliver programs to the residents through the establishment and maintenance of a Public Service;

AND WHEREAS the Government of the Northwest Territories, in recruiting and retaining a professional Public Service, must ensure that it is representative of the diversity of the Northwest Territories population and allows access to all residents to opportunities within the Public Service;

AND WHEREAS the Government of the Northwest Territories, in meeting its obligations to have a professional, non-partisan and representative Public Service, must ensure that human resource policies and procedures are adhered to;

AND WHEREAS since the dismantling of the Department of Personnel was completed in 1996-97, successive Governments have not demonstrated their ability to actively coordinate the human resources needs of the Public Service;

AND WHEREAS the Government of the Northwest Territories statistical information regarding the success of the Affirmative Action Policy, does not appear to reflect the desired representative Public Service;

AND WHEREAS the Government of the Northwest Territories continues to demonstrate that it cannot coordinate and be accountable for its actions in certain aspects of meeting its human resource responsibilities;

AND WHEREAS the human resource function and responsibilities are now delegated to and spread throughout departments and boards of this Government;

AND WHEREAS there is a need for adequate reporting, monitoring and accountability by the Government of the Northwest Territories;

Date of Notice/ᖃᐅᔨᓴᐅᑎᓂᒃᑯᑦ ᑎᑎᕋᐅ:	June 22, 2000	Moved by/ᐱᒋᐊᖅᑎᑎᑕᐅᔪᖅ:	Mr. Dent
Date of Introduction/ᑎᖃᐅᔨᓴᐅᓂᒃᑯᑦ ᑎᑎᕋᐅ:	June 22, 2000	Seconded by/ᑐᑭᓯᒪᑕᐅᔪᖅ:	Mr. Roland
Disposition/ᖃᓄᐃᓕᓴᐅᓂᖏᓐᓄᑦ:	Carried (R.V.)		
Carried/ᑖᒃᑯᐊᓕᑕᐅᔪᖅ:	June 22, 2000	Ruled out of Order/ᐊᒻᒪᓗᐅᑎᓯᒋᐊᖅ:	

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AND WHEREAS the current Public Service, and those wishing to become members of the Territorial Public Service, must be satisfied that the hiring process is transparent, fair and accountable;

AND WHEREAS there is a need for an independent agency to ensure that all persons are treated fairly and have access to employment opportunities in the Territorial Public Service;

AND WHEREAS the Northwest Territories is currently the only jurisdiction in Canada, with the exception of Nunavut, which exercises authority over a public service and does not have an impartial or independent body or agency to ensure a representative public service;

NOW THEREFORE I MOVE, Seconded by the Honourable Member for Inuvik Boot Lake that this Legislative Assembly wishes to ensure that the Government of the Northwest Territories has a professional, non-partisan and representative Public Service;

AND FURTHER requests the Executive Council to bring forward legislation to establish a Public Service Commission for the Northwest Territories;

AND FURTHERMORE that the Executive Council introduce this legislation by February 15, 2001.

APPENDIX B

Northwest Territories Legislative Assembly
Standing Committee on Accountability and Oversight

May 15, 2001

HONOURABLE STEPHEN KAKFWI
PREMIER

Human Resource Management Study Report

On behalf of the Standing Committee on Accountability and Oversight I want to thank the Deputy Premier and your staff, together with the study consultants for meeting with us on April 4, 2000 to provide a briefing on the report. The discussion provided some clarity on the recommendations but in general our specific concerns remain unchanged. The Committee will prepare a response to the report to table in the Legislative Assembly. However we would like to take this opportunity to provide you with some initial feedback.

While Members support the recommendation that a Public Service Commission be created, we are not certain that it should focus only on appeals. The report appears to conclude that there are no significant organizational changes needed other than the establishment of an independent appeals entity. If a Public Service Commission is established to focus on appeals, the direction seems to be that a new approach to human resource management can be accomplished within existing departments. This approach will likely not address Member's concerns related to coordination of Human Resource Management practices throughout the public service.

P.O. Box 1320
Yellowknife
Northwest Territories
X1A 2L9
T: (867) 669-2299
F: (867) 873-0432
www.assembly.gov.nt.ca

If there is to be accountability and government wide implementation of Human Resource management polices and programs that advance Legislative Assembly priorities, there must be an entity that acts in the public interest. Such an entity must show that this Assembly is committed to a civil service that is professional, non-partisan, and representative. The report suggests that enhancing the role of Corporate Human Resources would improve overall performance and compliance with existing policies. There is not sufficient detail provided to show how this would address the government's ability to effectively coordinate the human resource needs of the public service any better than our Government has done since Personnel was disbanded.

Members feel that the study did not allow for meaningful discussion on roles and responsibilities for a Public Service Commission. Although the review included a brief overview of a variety of models in other jurisdictions, there were no options considered in the report. The notion appears to have been dismissed as a "non-starter" even though the terms of reference asked the contractor to "Make recommendations respecting improvements to the GNWT's Human Resource Management specifically addressing the cost/benefit of implementing a Public Service Commission model in the GNWT."

The report recommends that a Task Force comprised of Deputy Ministers develop a detailed implementation program for the direction proposed by the study. Members are not supportive of such an approach until there is a mechanism to ensure ongoing involvement of Members of the Legislative Assembly to provide a political oversight function. At the very least, detailed Terms of Reference should be developed to guide the Task Force. The Committee has expressed concern about a piece-meal approach to various initiatives, such as Maximizing Northern Employment, Employment Equity, etc, without an umbrella framework or terms of reference. The recommendation of a comprehensive Human Resources Strategy is a good one, but there appears to be several initiatives underway already, which may be perceived as putting the cart before the horse.

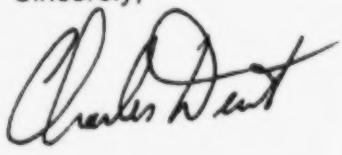
In general, Members are supportive of the reasons cited for an Employment Equity policy. We believe that employment equity is a commitment that eliminates discrimination in employment and achieves and maintains a representative workforce. Such a commitment requires the participation of stakeholders in the development of equity policies. In addition, successful implementation requires that the Legislative Assembly recognizes employment equity as a priority and is committed to an effective program. However it remains unclear to Members how this priority will be reflected in the accountability framework of the Department of the Executive, and in the specific business plans of the departments. We are also concerned about the process of reframing the

Affirmative Action Policy to an Employment Equity Program and will have further comment later on this issue.

In conclusion, the Committee feels that the establishment of an independently appointed entity to hear appeals is a good first step in accountability. Although the remaining recommendations are somewhat vague we feel that we have a sense of the direction that is recommended. Members are not yet convinced that the direction suggested by the report will improve human resources management throughout the public service; nor that it will improve reporting, monitoring, and accountability by the Government of the Northwest Territories to the public.

We look forward to working with you to improve human resource functions in the Government of the Northwest Territories public service.

Sincerely,



Charles Dent
Chairman

c.c. Hon. Joseph L. Handley, Chairman, Financial Management Board
Committee Members

APPENDIX C

Northwest Territories Legislative Assembly
Standing Committee on Accountability and Oversight

FEB 2 6 2001

HON. JOSEPH L. HANDLEY
CHAIRMAN
FINANCIAL MANAGEMENT BOARD

Human Resource Management Study Report

On behalf of the Standing Committee on Accountability and Oversight, I would like to provide you with our initial overall impressions of the Human Resource Management Study. Members of the Committee have a number of concerns, and there are areas pertaining to the recommendations in particular, which require clarification. I will outline briefly some of the concerns here, and request that the government make no move to implement any of the recommendations until we have had occasion to more fully examine the report and engage in meaningful and constructive dialogue with you and your officials. I would expect that, following such discussions, we would be in a position to provide a far more detailed response to the report.

Members wonder about the weight given their comments as opposed to those made by bureaucrats. While there are often references made to concerns raised by Members of the Legislative Assembly, the concerns are then shown to be countered by comments made by government officials, and subsequently listed as unsubstantiated.

The following are a number of specific concerns that Committee Members have already identified:

- Members are not convinced that tying appeals to the Human Rights Commission was well thought out. We still believe strongly that there must be an independent body that hears appeals and reports directly to the Legislative Assembly;

P.O. Box 1320
Yellowknife
Northwest Territories
X1A 2L9
T: (867) 669-2299
F: (867) 873-0432
www.assembly.gov.nt.ca

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- Members are not supportive of giving the next steps in the process to a Deputy Ministers' Committee. There needs to be some ongoing involvement of Members of the Legislative Assembly to provide a political oversight function in the process; and

- We are not convinced that centralizing human resources services in the Financial Management Board Secretariat is the best idea. There may be too much concentration of power in a department whose primary focus is on financial management and "bottom line" issues. It is our contention that more attention needs to be paid to the "non-monetary" human resource issues, and that while FMBS may play a coordinating role, it should not be the lead agency.

In addition, Members are interested in discussing in more detail the recommendation on employment equity. While it is clear that the affirmative action policy is not working, we need to discuss, in very detailed terms, what a change to employment equity or equity participation might mean.

With respect to the recommendations in the report, many of which appear to be quite vague, the Committee would appreciate the opportunity to meet with representatives of the contract firm, Grant Thornton, in the near future.

It has also been suggested that a full briefing on the report would be beneficial. Members would welcome this opportunity as well, and I would like to propose sometime in the first week of April for this exercise, which would of course include full and frank discussion with you on these issues and concerns.

On behalf of Committee Members, I look forward to your response.

Charles Dent
Chairperson

cc: Secretary to the FMB
Members, AOC
Committee Staff